MEDCOM Small Business Training

Subcontracting Plans

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Subcontracting Plans Are Required

When

- Contract, including all options, is **expected**
  - To be with other than small business
  - To exceed $550,000
    ($1,000,000 for construction)
  - To have subcontracting opportunities

Unless…

Subcontracting Plans Are **Not** Required

- Apparent successful offeror is a small business, or
- Personal services contract, or
- To be performed entirely outside the United States, or
- Within scope modification of a contract that does not contain FAR 52.219-8, Utilization of Small Business Concerns

Subcontracting Plans Should Be

- Realistic
- Challenging
- Achievable
- With positive percentage and dollar goals

Types of Subcontracting Plans

- **Individual**
  - Plan for a specific contract – (1 contract = 1 plan)
  - Covers entire contract period, including options
  - Contains required elements (FAR 19.704)
  - Goals are negotiable
  - Must input Individual Summary Report (ISR) semiannually to eSRS
  - Must input Summary Subcontract Report (SSR) semiannually for DoD/NASA to eSRS

Types of Subcontracting Plans

- **Commercial**
  - Preferred for commercial items
  - Annual plan
  - Contractor's fiscal year
  - Corporate, plant, or division basis
  - Contains required elements (FAR 19.704)
  - Goals are not negotiable
  - Plan approved by first agency using plan
  - Must input SSR to eSRS annually

Types of Subcontracting Plans

- **Master Plan:**
  - Boiler plate plan
  - Corporate, plant, or division basis
  - Effective for 3 years after approved
  - Contains required elements (FAR 19.704), except goals
  - Goals negotiated for each contract that incorporates the master plan
  - Covers entire life of the contract
  - Plan is approved by first agency using the plan
  - When incorporated into contract, must input ISR and SSR

Material Part of the Contract

- Subcontracting Plan **must** be
  - Approved by KO, SADBUS, and PCR prior to award
  - Made a material part of the contract at the time of award or by mod
- Failure to submit an **acceptable** Subcontracting Plan makes the offeror **ineligible** for award.

Subcontracting Plan Elements

1. Separate Percentage Goals for
   - Small Business
   - Small Disadvantaged Business including
     - HBCU/MI
     - Hispanic Serving Institutions
     - Tribal Colleges and Universities
   - Women-Owned Small Business
   - HUBZone Small Business
   - Service-Disabled Veteran-Owned Small Business
   - Veteran Owned Small Business

Subcontracting Plan Elements

2. Subcontracting Amounts
   - Total Dollars planned to be subcontracted
   - Total Dollars planned to be subcontracted to each group

3. Description of the principal types of supplies and services planned to be subcontracted to each group

Subcontracting Plan Elements

4. Description of the method used to develop each of the goals

5. Description of the method used to identify potential subcontracting sources

6. Statement if indirect costs were included in determining goals
   - Description of the method used to allocate indirect costs to each group

Subcontracting Plan Elements

7. Name of the Subcontracting Plan Administrator
   - Contact information
   - Description of duties

8. Efforts the company will make to ensure small businesses have equitable opportunity to compete for subcontracts

9. Assurances the company will “flow-down” subcontracting requirements to subcontractors

Subcontracting Plan Elements

10. Assurance that the company will
    - Cooperate in any studies or surveys
    - Submit periodic reports as required by the contract
    - Utilize eSRS to report accomplishments
    - Ensure that subcontractors utilize e-SRS to report accomplishments
11. Description of types of records maintained to demonstrate compliance

Contracting Officer Responsibilities

- Determine prior to solicitation:
  - Could the prime contractor be other than small business?
  - Will the total contract value exceed $550,000 ($1,000,000 for construction)?
  - Are there subcontracting opportunities?

    (If not, approval is required one level above the contracting officer)

Contracting Officer Responsibilities

- During solicitation preparation:
  - Include Subcontracting Plan requirement in the solicitation
  - Include Subcontracting Plan as an evaluation factor
  - Provide solicitation to PCR for review and approval before releasing it

Contracting Officer Responsibilities

- Upon receipt of Subcontracting Plan:
  - Evaluate the plan for adequacy (All elements of plan are properly addressed)
  - Score the plan (unless it is for a commercial item)
  - Obtain SADBUS review and comments
  - Obtain PCR review and approval
  - Ensure the acceptable Subcontracting Plan is incorporated into and made a material part of the contract

Contracting Officer Responsibilities

- After Award:
  - Send copy of the award (including the Subcontracting Plan) to the SBA
  - Provide copy of the Subcontracting Plan as incorporated into the contract to the CMR
  - Ensure all reports, specifically eSRS reporting is accomplished on time and is complete and accurate
  - Enforce the contract!

Additional Information

- Subcontracting Plan Guide
  (Available at **http://sb.amedd.army.mil/Documents.htm**)
- FAR 19.7, DFARS 219.7, AFARS 5119.7

Small Business Programs Office

We Are Here To Help

MEDCOM
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